

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Establish
a Framework and Processes for Assessing
the Affordability of Utility Service.

Rulemaking 18-07-006

**MOTION OF THE PUBLIC ADVOCATES OFFICE
TO AMEND THE SCOPE OF THE SECOND PHASE OF R.18-07-006**

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I. INTRODUCTION

Pursuant to Rule 11.1 of the California Public Utilities Commission’s (Commission) Rules of Practice and Procedure, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) submits this motion to amend and clarify the Assigned Commissioner’s Second Amended Scoping Memo and Ruling (Second Amended Scoping Ruling) in the second phase of the proceeding.

Cal Advocates seeks this amendment to ensure that the following two issues are clearly within the broad scope of the issues set forth in the Second Amended Scoping Ruling:

1. Development and implementation of a rate and bill impact tracking tool for Class A Water Utilities;¹ and
2. Using the Energy and Water rate and bill impact tracking tools for ongoing support of the Commission’s work.

II. DISCUSSION

A. Procedural Context

The Commission opened this Order Instituting Rulemaking to Establish a Framework and Processes for Assessing the Affordability of Utility Service (OIR) proceeding on July 12, 2018. In the OIR, the Commission recognized the lack of “.....a framework to comprehensively analyze the cumulative impact of rate requests and programs across

¹ Class-A Water Utilities include California Water Service Company, California-American Water Company, Golden State Water Company, Great Oaks Water Company, Liberty Utilities (Apple Valley Ranchos Water Company), Liberty Utilities (Park Water Company), San Gabriel Valley Water Company, San Jose Water Company, Suburban Water Systems.

proceedings and industries”.² Thus, the Commission identified the issue of tracking and analyzing the cumulative impact of rate requests and programs across proceedings and industries as one of the goals of this proceeding. After a round of comments on the OIR, a prehearing conference (PHC) was held on October 12, 2018 and the Assigned Commissioner’s Scoping Memo and Ruling issued on November 19, 2018.

Commission staff and various industry experts on affordability issues convened a workshop on January 22, 2019, on different approaches to address and measure affordability. During the workshop, parties participated in breakout discussion groups on the following subject matters: (1) defining affordability and essential service, (2) identifying metrics and data sources to measure affordability and determine essential service, and (3) usefulness/application of the affordability framework.³

On June 4, 2020, the Commission issued Decision (D.) 20-07-032 on the first phase of the proceeding. D.20-07-032 drew largely from information presented at the workshop and on party comments and staff proposal following an Amended Assigned Commissioner’s Scoping Memo and Ruling issued on November 18, 2019.

The Commission issued the Second Amended Scoping Ruling on June 9, 2020 setting forth the issues and schedule for the second phase of this proceeding.

B. The Second Amended Scoping Ruling Should Specify that the Development and Implementation of Rate and Bill Tracking Tools for Class A Water Companies is in Scope.

The Commission should amend or clarify the Second Amended Scoping Ruling to specifically state that the development of a rate and bill impact tracker tool for Class A Water utilities is within the scope of issues in this second phase of the proceeding. The Second Amended Scoping Ruling can arguably be read as implying that the rate and bill tracking tools are for the electric and gas utilities,⁴ but not for water utilities. Cal Advocates seeks to have the development and implementation of a rate and bill tracker tool for Class-A water

² Rulemaking 18-07-000 Order Instituting Rulemaking (OIR) at pp. 6-7.

³ Assigned Commissioner’s Second Amended Scoping Memo and Ruling, p. 2.

⁴ Second Amended Scoping Ruling, p. 3, (Issue No. 7.).

utilities expressly stated in the Second Amended Scoping Ruling like it is for electric and gas utilities.

Issue No.7 in the Second Amended Scoping Ruling currently reads as follows:

7. Determining Interactions between the affordability metrics and the rate and bill tracker tool under development by the Commission's Energy Division.⁵

This is the only mention of the rate and bill tracker tool among the issues in the Second Amended Scoping Ruling.

Water utilities have consistently opposed the development of such a tool for water companies in this proceeding. Indeed, they submitted comments to the proposed decision on the first phase of this proceeding arguing against the development of such a tool for Class A water companies in the second phase.⁶ Thus, water utilities are likely to argue that the Second Amended Scoping Ruling's specific mention of a rate and bill tracker tool developed by the Energy Division, was intended to preempt consideration of such a tool for water utilities, in the second phase of this proceeding. While such an argument would be without merit, it would also be time consuming, costly and difficult to resolve without an amendment or clarification of the Second Amended Scoping Ruling.

The record in this proceeding supports Cal Advocates' motion. As stated above, the OIR puts the issue of tracking the cumulative impact of rate requests and programs across proceedings and industries front and center as one of its goals.⁷ Furthermore, "the Commission should ensure that cumulative data regarding rate and bill impacts is available across the various ratemaking proceedings. Rather than consider projects and programs on a piecemeal basis, the full measure of current and potential rate and bill impact data should be available to inform the Commission's policy decisions about all the costs that ratepayers face."⁸ Thus, the Commission can employ the tool more broadly to develop affordability

⁵ Id., 7.

⁶ See, Reply Comments of California Water Association on the Proposed Decision Adopting Metrics and Methodologies for Assessing the Relative Affordability of Utility Service, R.18-07-006, June 29, 2020, pp. 2-4.

⁷ Rulemaking 18-07-000 Order Instituting Rulemaking (OIR) at pp. 2, 6-7.

⁸ Public Advocates Office comments on Administrative Law Judge's Ruling Adding Workshop

policies, beyond just developing a definition for affordability. As Cal Advocates has consistently stated “accurately tallying costs and tracking rate impacts will strengthen the Commission’s ability to make sound decisions.”

C. The Second Amended Scoping Ruling Should Clarify that Using the Energy and Water Rate and Bill Impact Tracking Tools for Ongoing Support of the Commission’s Work is Within Scope.

The Second Amended Scoping Ruling should be clarified to reconcile the Order in D.20-07-032 with the language that places the rate and bill tracker tool at issue in the second phase of this proceeding.

D.20-07-032 ordered that:

San Diego Gas & Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company shall each submit quarterly rate and bill tracker tool information to the Commission’s Energy Division and shall work with staff during a second phase of this proceeding with respect to using the rate and bill tracker tool for evaluating affordability metrics’ inputs and other ongoing support of the Commission’s work.
...²

D.20-07-032 was unequivocal in stating that the utilities shall submit rate and bill tracker tool updates and shall work with staff in the second phase of this proceeding, respecting all aspects of the development and implementation of this tool. However, the Second Amended Scoping Ruling states the issue pertaining to the use of the rate and bill tracker tool in the second phase differently. Issue No. 7 in the Second Amended Scoping Ruling describes the scope of the rate and bill tracker tool in the second phase as “[d]etermining interactions between affordability metrics and the rate and bill tracker tool.” The Second Amended Scoping Ruling does not address the use of the rate and bill tracker tool for other ongoing support of the Commission’s work as ordered in D.20-07-032.

Cal Advocates urges the Commission to clarify that the scope of the issue pertaining to the rate and bill tracker tool in the Second Amended Scoping Ruling encompasses the

Presentations Into the Record and Inviting Post-Workshop Comments at pp. 4-5.

² D.20-07-032, *Decision Adopting Metrics and Methodologies for Assessing the Relative Affordability of Utility Service*, p.99.

order issued in D.20-07-032. Clearly, the second phase of this proceeding would be at odds with the first phase if the order in the first phase that directs the electric and gas utilities on what they should do in the second phase is not fully included in the scope of the second phase. Cal Advocates maintains that an amendment or clarification of the Second Amended Scoping Ruling would be the most efficient and effective way to continue the development and implementation of the rate and bill impact tracker tools for the electric and gas utilities, as well as the water utilities.

III. CONCLUSION

For the reasons stated above, Cal Advocates request that the Commission clarify and amend the Second Amended Scoping Ruling as recommended in this motion

Respectfully submitted,

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